

Message Text

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10
ACTION EA-09

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SUBJECT: FRASER GOVERNMENT'S PERFORMANCE IN INDUSTRIAL
RELATIONS

REF: MELBOURNE 1273

1. IF ONE TAKES POSITION THAT SUCCESS IN ACHIEVING
FRASER GOVERNMENT'S NUMBER ONE DOMESTIC GOAL -- REDUCING
INFLATION -- DEPENDS ON WORKING OUT SOME SORT OF MUTUALLY
ACCEPTABLE ACCOMMODATION WITH COUNTRY'S TRADE UNION MOVEMENT,
ONE HAS LITTLE CHOICE BUT TO GIVE FRASER GOVERNMENT LOW MARKS
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FOR ITS PERFORMANCE TO DATE IN INDUSTRIAL RELATIONS.

2. DURING PAST SEVEN MONTHS GOVERNMENT HAS EITHER ABANDONES OR SUBSTANTIALLY MODIFIED MOST OF INDUSTRIAL RELATIONS PLANKS IN COALITION'S 1975 ELECTION PLATFORM INCLUDING PLANKS ON FULL EMPLOYMENT, WAGE INDEXATION, TAX INDEXATION, TRADE UNION ELECTIONS, MEDIBANK AND PROPOSED ENFORCEMENT ARM OF ARBITRATION SYSTEM TO BE CALLED INDUSTRIAL RELATIONS BUREAU.

3. WHILE CHANGES IN CAMPAIGN PROMISES AND COMMITMENTS HAVE NARROWED AS WELL AS WIDENED GAPS BETWEEN GOVERNMENT AND TRADE UNION POSITIONS, GOVERNMENT HAS FAILED TO USE GAP-NARROWING MOVES IN WAYS CALCULATED TO IMPROVE ITS BARGAINING STRENGTH VIS A VIS THE TRADE UNION MOVEMENT. IMPORTANT POINT TO NOTE IN THIS CONNECTION IS THAT EVEN THOUGH 1975 PLATFORM CALLED FOR TRIPARTITE CONSULTATION AS MEANS OF RESOLVING INDUSTRIAL RELATIONS PROBLEMS, FRASER GOVERNMENT HAS CHOSEN THUS FAR TO FUNCTION WITHOUT TRIPARTITE OR EVEN BILATERAL CONSULTATION. IN CIRCUMSTANCES UNCONSULTED (HENCE UNCOMPROMISED) TRADE UNIONS HAVE TENDED TO ONCE WELCOME

GOVERNMENT MOVES E.G. ON TAX INDEXATION IN SAME CATEGORY WITH UNWELCOME ONES AND TO FEEL NO OBLIGATION WHATSOEVER.

4. UNFORTUNATELY, BY TIME MEDIBANK AND OTHER ISSUES PRECIPITATED SPECIAL HIGH-LEVEL GOVERNMENT-TRADE UNION MEETINGS IN JUNE LITTLE OR NO BASIS REMAINED FOR REAL OR SERIOUS CONSULTATIONS ON MEDIBANK OR ANYTHING ELSE SINCE GOVERNMENT HAD ALREADY TAKEN PUBLIC STANDS ON MOST ISSUES AND WAS NOT PREPARED TO BACK DOWN IN FACE OF TRADE UNION PRESSURE.

5. FAILURE OF JUNE TALKS AND ACTU DECISION TO RESPOND WITH FIRST EVER NATIONAL "POLITICAL" GENERAL STRIKE JULY 12 RAISES QUESTION WHETHER EARLIER EXCHANGES MIGHT HAVE BEEN MORE PRODUCTIVE. FOR EXAMPLE, IF GOVERNMENT HAD TRIED TO NEGOTIATE IN APRIL OR MAY ANTI-INFLATIONARY QUID PRO QUO WITH TRADEUNIONS IN EXCHANGE FOR FULL TAX INDEXATION MIGHT IT HAVE BEEN ABLE TO DO SO? GOVERNMENT'S HEAVILY LIMITED OFFICIAL USE

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PATERNALISTIC STYLE GOES LONG WAY TOWARD EXPLAINING WHY IT DID NOT TRY TO GET SOMETHING IN EXCHANGE FOR ADVANCING TIMETABLE ON TAX INDEXATION AND WHY IT HAS CONSISTENTLY ESCHEWED CONSULTATION DESPITE COMMITMENT IN 1975 PLATFORM. ON TRADE UNION AND ALP SIDE, OF COURSE, THERE ARE POWERFUL VOICES WHICH OPPOSE CONSULTATION ON GROUNDS THAT LABOR MOVEMENT SHOULD HAVE NOTHING WHATSOEVER TO DO WITH GOVERNMENT WIDELY REGARDED IN ALP AND TRADE UNION CIRCLES

AS "ILLEGITIMATE."

6. SITUATION IN WAJC OF JULY 12 STRIKE IS THAT GOVERNMENT AND TRADE UNION LEADERS AGREE ON NEED TO MAKE SACRIFICES IN EFFORTS TO CURB INFLATION BUT REMAIN AS FAR APART AS EVER ON WHO SHOULD MAKE WHAT SACRIFICES. IN MEANTIME, IN ABSENCE OF CONSULTATION AIMED AT REACHING ACCOMMODATION, BOTH SIDES ARE CONSIDERING VARIOUS ALTERNATIVE METHODS OF GETTING WHAT THEY WANT. THESE RANGE FROM DRAFT LEGISLATION TO OBLIGE CONCILIATION AND ARBITRATION COMMISSION TO CONSIDER OVERALL ECONOMIC AS WELL AS INDUSTRIAL RELATIONS CONSEQUENCES OF INDUSTRIAL AWARDS TO TRADE UNION PROPOSALS FOR FURTHER INDUSTRIAL ACTION.
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